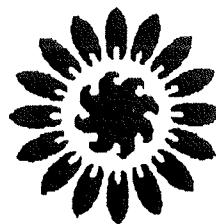
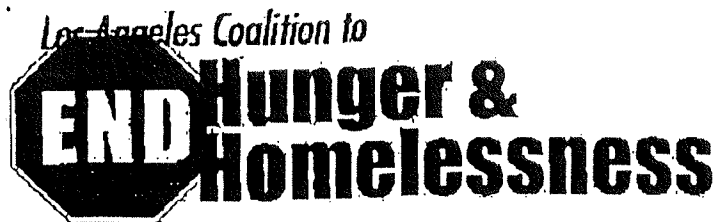


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Business Improvement Districts Protecting or Provoking

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Los Angeles Coalition to End Hunger & Homelessness

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We express our deepest appreciation to the 173 respondents who embraced the spirit of inquiry in the pursuit of truth. It is truly the time, patience, and community commitment of residents that insures the steady improvement of downtown Central City East.

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I. Introduction

Business Improvement Districts ("BIDs") are a recent phenomenon sweeping downtowns and industrial areas nationwide. California has joined 40 other states with legislation authorizing property-based BIDs. There are currently 25 BIDs in active operation in the Los Angeles County area and many more in development. Along with the advantages of improving the impression of safety, cleanliness, and a sense of welcome for the customers and the workforce, there are inherent problems in the practices of local Business Improvement Districts. The two areas of grave concern for the community of low-income residents and their service providers are:

- ✓ • Only property owners who pay self-imposed taxes to the BID have a voice in the decision making process. BIDs may therefore act in ways that are not in the interest of lower income neighborhood residents.
- ✓ • Business Improvement District sidewalk and street security and policing efforts may be enforced using arbitrary, unclear, or unjust policies & guidelines.

The LA Community Action Network believes that without the input and ideas of residents & service providers as to how to make the community cleaner, safer and patron friendly, BID efforts are doomed for failure. Why? Because many of those who are targeted by BID security officers are also the same consumers that keep the local businesses open and because violence and rough tactics and discrimination breed more violence and bad press and defeat the goal of the BID to create an inviting environment. To research these concerns, 173 community residents of downtown Los Angeles were interviewed by trained volunteers from LA Community Action Network to assess what impact ongoing contact with BID security, negative or positive, has on community morale. Specifically, this survey attempts to explore the knowledge that low income residents have as to:

- *why* the BID security officers are stationed and patrolling their neighborhood;
- *how* much information was conveyed to the community on the BID's purpose, guidelines & intent prior to the actual arrival of security officers;
- *what* previously acceptable or tolerated "old social activities," are now prevented and declared offenses by the new BID security forces, and should these be subject to wider community inquiry.

II. BID Basics

A BID is a special services district and legal mechanism through which property owners create a "maintenance fund" for their common area. This "self help" economic development tool is not intended to replace local government services, but rather supplement them. 100% of the assessment allocated for the BID is returned to the district to be used exclusively for supplemental services. The assessment is said to ensure a safer and cleaner business environment and community, even when government falls short.

Proponents among property owners complete an Annual Program which outlines the services to be provided. A petition is circulated amongst property owners within the district calling for the formation of a BID. The petition must be signed by at least 51% of property ownership by assessed value. In response to the petition, the City Council convenes a public hearing and can form a BID by city ordinance. The Business Improvement District and City of Los Angeles sign an agreement that protects the City of Los Angeles from being sued because of Business Improvement District's malpractice.

Often the public, the local residents and the small businesses do not realize, nor do the BID formation materials make clear, that some larger property owners own more than one property and have much more valuable property in a Business Improvement District. This then enables them to have more than one vote on the types of services and programs they would like to see implemented in the district. More simply, each dollar controls one vote. The Downtown Industrial District, for example, is controlled by less than 30% of the property owners in that district. For the most part large business interests and property owners especially benefit from BID implementation. Their financial standing ensures that they have the legal right to conduct business in almost any manner they see necessary. From the street level, it looks as if these owners are in charge of their own fiefdoms within city & county boundaries.

Small property owners, as a rule, tend to stay away from the BID concept. The reason for their alienation is that owning small properties in a BID feels to them like taxation without representation, paying one more tax dollar with little benefit. The property owner whose property is smaller in size compared to the larger properties understands that his or her voting power carries little weight. Some believe they are actually disenfranchised by this process and tend to refuse to sign.

III. Impact of BIDs on Community Residents

"The Downtown Industrial District is extremely vital to the strength of the downtown region for many reasons. But none so important as the many prominent companies who call this area home. Such as the largest seafood cold storage facility in the country, the country's second largest wine and distilled spirits distributor and the nation's largest shrimp processing facility, just to name a few".

-Central City East Association

What the CCEA forgets to mention as it talks about the strength and vitality of business in the Downtown Industrial District, is the residents. The Central City East district is where thousands of people "dealing with poverty" are home. Embedded within the confines of this industrial and manufacturing center is a continuum of care for those people within our society in need of help reentering mainstream society. The arrival of the Business Improvement Districts has signaled a trend that residents will not soon forget. Prior to the formation of the BIDs residents could move about as they pleased if the activity was lawful. Now such basic social interactions as resting for a spell on a street corner, eating lunch on a curb, or just standing on the street having a conversation with a friend result in hassle from Business Improvement Districts. With a host of hotels, drop-in-centers, food lines and shelters the Central City East district is analogous on the human level to the cold storage, toy, seafood and other "industry" there recognized on a business level. For people that reside in the Central City East, this is home, their village, their place in the world.

The Business Improvement District's primary focus and energy is devoted to two areas, maintenance & safety, plus various degrees of marketing and lobbying for the district.

Everyone appreciates a clean and inviting place, but at what price? The first issue that led to the crossing of paths by the Community Action Network and BIDs was the pressure by BIDs to discontinue charitable food giving, more commonly referred to as "food lines Food distribution by local churches, missions, and other groups is a major source of nutrition to residents of the Central City East community. This charity serves as a nutritional lifeline when people run out of money. Residents earning General Relief benefits (obtained with great difficulty by

workfare or major disability) receive \$212.00 monthly. When the money, less than a month's rent, is gone they need food to keep them fed until they receive their next General Relief check or some other form of income. The BID, CRA, LAPD and some service providers felt that the food lines were causing a plethora of problems. They were believed to cause an over abundance of trash, noticeably more vermin, and violent or aberrant behavior from people waiting in line for a meal. This type of alleged behavior was said to deter employees and customers and upscale residents from the area.

The second and probably largest issue the BIDs are concerned with is the safety of their patrons. The usual answer from BIDs is to employ private security forces to enforce BID private property rights. What has happened as a result of contracting with or employing security officers is questionable behavior, tactics and treatment of community residents by these guards.

"I was just sitting down eating my lunch when this red shirt person told me that I can't sit here and eat. I have been sitting in front of the San Julian Park for years. When I told them I was not going to move until I finished, they called the police. I don't need that." -Sarah

Sarah was placed under arrest as a result of this interaction; she stayed in jail for 5 days because of unpaid jaywalking tickets that had turned into warrants.

IV. Research Method

The survey sample consists of 173 residents living in downtown Los Angeles at the time of the survey and self-identified as interested. First, efforts were made to recruit respondents throughout several BIDs. Respondents were surveyed in

- Central City East Association BID
- Downtown Industrial BID
- Fashion District BID
- Historic Core BID
- Toy District BID

This approach was intended to assess the uniform design of policing practices among the five BIDs. In addition, respondents were surveyed on both public and private property to ascertain if in fact private BID security was enforcing a private agenda on public property as well as private property. This deliberate effort to diversify the recruitment sites was intended to increase the survey participants' representation of the larger downtown residential community.

V. Data Collection Method

A number of precautions were taken to protect the respondents rights during the interview process. Possible respondents were often wary about participating in the survey for fear of repercussions or retaliation. It was made clear to possible respondents that the survey was entirely voluntary, and that they could refuse to participate at any time during the process. Respondents were also instructed that they could decline to answer any question throughout the survey process. Interviewers were instructed to terminate any survey that caused an individual to become distressed or hostile. The survey procedure consisted of individual, face-to-face interviews with each respondent. A structured questionnaire that contained both open and closed ended questions was used as the survey instrument. The

survey was conducted in English or Spanish and lasted for approximately 15-20 minutes. Interviews were conducted at various sites beginning in early October 1999 and ending mid December 1999. Four interview training sessions were conducted for survey volunteers. During the trainings, a special emphasis was given to the importance of gathering accurate and unbiased data. For this reason, a considerable amount of time was allocated to train interviewers how to conduct an objective and professional interview. The data shows that there is no evidence of significant variance in the findings attributable to volunteer bias.

VI. Survey Findings

- **Reside in Central City East: Total Respondents =169.** 165 or 98% of those interviewed reported living in the downtown or Central City East Area. 4 or 2% of those interviewed reported living outside the designated survey area, and their interviews were not continued. Where respondents reside was of great importance to the survey findings. The focus of the study is on those who live in the neighborhood and their contact with the BIDs.
- **Contact with Officers: Total Respondents =168.** 75 or 45% of those surveyed reported having some type of contact with the BID security officers. 93 or 55% reported having no contact with the officers. "Contact" in this question can be associated with both negative and positive interactions with the security officers.
- **Impression of Officers: Total Respondents =139.** 73 or 52% of those surveyed reported having a favorable impression of the BID security officers. 66 or 48% of total respondents reported that their impression of the same officers was not favorable. Further analysis indicate that this "negative impression" can be correlated with negative interactions, or witnessing negative interactions.
- **Professionalism: Total Respondents =131.** 78 or 59% of those surveyed reported that they were treated with professionalism, dignity and respect when approached by BID officers. 53 or 40% of total respondents questioned their treatment by officers. They felt that there was an absence of respect and professionalism in their interactions.
- **Detention: Total Respondents =166.** 20 or 12% of those surveyed reported that they have been detained by BID security at least once. The officers have never detained 146 or 88% of those surveyed.
- **Witnessed: Total Respondents =168.** 71 or 42% of those surveyed reported that they have witnessed some form of harassment or mistreatment while interacting with BID security officers. 97 or 58% of those surveyed reported that they had never witnessed any questionable behavior by the security officers.
- **Arrests: Total Respondents = 169.** 8 or 4% of those surveyed reported that they were placed under arrest as a result of allegations made by BID security officers. 161 or 96% of those surveyed never had been placed under arrest as a result of BID security allegations.
- **Roles & Responsibilities: Total Respondents = 160.** 72 or 45% of those surveyed reported that they did know or understood the roles and responsibilities of the BID security officers. 88 or 55% did not know the roles or responsibilities of the security officers.
- **Best Interest: Total Respondents =164.** 105 or 64% of those surveyed reported that they felt the BID security officers were conducting themselves in a manner that was in the best interest of the community. 59 or 36% felt they were not conducting themselves in such a manner.

- **Better Off:** Total Respondents =173. 94 or 54.3% of those surveyed reported that they felt the community was better off by the presence of BID security officers. 40 or 23.1% of those surveyed felt that the security officer's presence did not make the community a better place. 39 or 22.6% was undecided as to whether the BID security presence had a greater negative or positive impact on the community.

VII. Analysis

Findings of this survey suggest that the introduction of Business Improvement District private security has had both favorable and unfavorable impact on resident's lives. Many of the responses to questions are split right down, or close to, the middle.

Interpretation of this data might lead some to believe that this signals a success on the part of BID management making a smooth transition into the community.

On the other hand, the unfavorable opinions raise serious questions as to what has been done to insure that the presence of private security was not perceived as an attempt to further isolate and criminalize homelessness. 55% of those surveyed did not know the roles or responsibilities of BID security officers. Without this knowledge community residents were unsure as to what they "could" or "could not" do legally. Residents asked questions such as "Do they have legal authority to stop me from standing on the sidewalk in front of the park?" "Can they stop me and make out a field investigation card on me because I jay walked?" Some community residents were troubled by the arbitrary enforcement of vague rules with uncertain authority.

On the other hand the other 45% surveyed felt they did know the roles and responsibilities of BID security. 59% of those surveyed felt that they were treated with professionalism while interacting with BID security. On the other hand, 40% of those surveyed felt there was an absence of respect and professionalism when they came in contact with BID security. 42% of those surveyed reported that they had witnessed some form of mistreatment or harassment by BID security while interacting with a community resident. But 58% of those surveyed had never witnessed any mistreatment by BID security.

VIII. Recommendations Based on the Survey

- **Recommendation:** *There should be formal & regular dialogue between downtown residents, property owners, service providers & BID management.*

Reasoning: Our survey found that the majority of respondents did not know the roles and responsibilities of BID security officers. The respondents did not know if the security officers were there to protect them, or hassle and arrest them. This uncertainty led to some ambivalence on the part of a majority of respondents. There needs to be a point person to arrange for the dialogues and who represents all of the designated BIDs. For example, a representative from the Fashion District BID, Historic Core BID, Downtown Industrial BID & CCEA BID. In addition, there needs to be representatives from different sectors of the provider community such as the mental health, substance abuse, domestic violence, advocacy & case management community. The L.A.P.D. should also be a central part of this dialogue.

- **Recommendation:** *Community Liaisons from various community organizations need to be identified to serve as liaison between the community and BIDs.*

Reasoning: Recent incidents involving community residents & BID security clearly demonstrate the need for community / BID liaisons. The purpose of such liaisons would be to field community complaints, convey the complaints to an upper level management appointee. The primary function of the upper level management appointee would be to expeditiously investigate claims and report back to the community liaison and their taskforce within a designated time frame. The goal is to create an environment that fosters trust between the BID' and community.

- **Recommendation:** *A specialized training curriculum should be developed for security officers that adequately recognizes and addresses the many different barriers of those people that they come in contact with on a daily basis. This is especially urgently needed for mentally ill residents.*

Reasoning: Working downtown Los Angeles presents many challenges for service providers and law enforcement alike. Society fails to provide adequately for many people in deep crisis. When society fails, the streets and homeless services are the substitute for better care. Some skill and sensitivity is needed to determine if a person in trouble is intoxicated, or suffering from an acute crisis episode caused by mental illness, or developmentally disabled or lost to Alzheimer's disease, or in a diabetic crisis or a heart attack. Recent tragedies and the opinion of mental health experts establish that sworn police academy graduates receive very minimal training on the subject and tend to have a very large margin of error when deciphering a person's condition.

We as a community are truly in denial if we think that a security officer with no formal training can make these distinctions, and respond appropriately based on the problems of the person. It takes a good attitude and some patience to, communicate with someone that is living with disabling conditions. It is imperative that these impediments are recognized and dealt with in the form of a comprehensive security-training curriculum. Those involved in the development of such a training should include, but not be limited to local mental health providers, mental health consumers, mental health advocates, L.A.P.D. and the Department of Mental Health.

- **Recommendation:** *Development of a community / BID task force.*

Reasoning: The public relations and general information purpose of a "community monthly meeting" is greatly different than that of a problem-solving "task force". The task force should be composed of representatives from the community monthly meetings. The task force however should be limited to a certain number of individuals. The function of this body will be to examine problems/issues between the BID' and community, then provide solutions that are satisfactory to all interested parties.

- **Recommendation:** *Develop a formal complaint process, which includes forms that are both accessible and user friendly, provided upon request.*

Reasoning: Survey findings show that a significant portion of the residents do not understand the roles and responsibilities of BID security officers. It can then be assumed that they have no idea how to lodge a formal complaint against an officer who employs questionable tactics. There must be in place a formal complaint process to "check" questionable behavior by officers. This process must be publicized and made available to all residents that request it. It must come in the form of written documents along with a report back date to notify the person that lodged the complaint of the findings.

- **Recommendation:** *Develop a security agent operation and guidelines manual, that address the duties of all security officers that work for BIDs in the downtown Los Angeles region.*

Reasoning: Survey findings show that BID security practices vary from BID to BID. Whereas one set of guards may enforce certain policies in one manner, another set of guards may enforce them totally differently. Because many residents travel through more than one BID in the course of a day it is imperative that guards are working using the exact same guidelines and procedures.

- **Recommendation:** *Each security operations shift must have, at a minimum, one female officer working.*

Reasoning: It was observed, while conducting the survey, that the number of visible female officers was few if any. There are many female residents in downtown Los Angeles that need to be treated with the same standards as provided by the L.A.P.D. A female officer must handle search and detention. In the long run this will be a very cost effective addition to the security component of BID operations, preventing charges or litigation about sexual exploitation, whether or not the charges are in a given case well founded.

IX. Concluding Observations

More mutual education is needed because of the vast difference of opinion about the purpose and tactics of BIDs as revealed in this survey. The low-income residential community of downtown Los Angeles and the business community have co-inhabited this area for a many years. In past decades the seldom-spoken city policy was to tolerate and encourage services to hotel dwellers, homeless people and other poor people on the east side of downtown, while pressuring them away from the west and north parts of downtown with an "out of sight, out of mind" strategy. Business Improvement Districts change that, and risk creating an impression that each district has as policy to chase all "unwanted" or "undesirable" people to another district.

The sponsors of this report believe that through concentrating efforts in three areas Los Angeles downtown community leaders can in fact greatly improve relationships between the business and residential communities. Those areas are:

- Broad based community dialogue
- A comprehensive BID security guidelines and training manual, recognizing the many impediments faced by those living in the community
- A massive outreach/education campaign aimed at educating the community on BID business practices and security purposes.

In taking these 3 initial steps, L.A. City can begin to move in the direction of becoming a model for communities around the nation that include homeless people in the fundamental civil rights questions that the BIDs raise, rather than criminalizing homeless people.